THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) and (b) M/s. MITSUI of Japan has evinced interest before the Committee of Experts (appointed by Government for exploring and making recommendations on possibilities of private participation in modernisation of IISCO's Burnpur Steel Plant) in partly financing cost of the modernisation scheme. Quantum of financing alongwith terms and conditions of the same will be known only when the final offer is submitted to the Committee.

Losses suffered by Steel Plants

1933. SHRI SATYA PRAKASH MALAVIYA : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that the SAIL and other Steel production units of the country are running in a heavy loss for the last three years;

(b) if so, the names of such steel plants under SAIL and what is the amount of total loss suffered by them during this period;

(c) what steps Government have taken/propose to take to prevent the future losses;

(d) whether Government have given any financial assistance to SAIL to cover its losses; and

(e) if so, the details in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV) : (a) and (b) No, Sir. SAIL and Tata Iron and Steel Company (TISCO) have not incurred losses in the last three years. These Companies have made profits as under, in these years :

(Rs. in crores)
(profit before Tax)

Year	SAIL	TISCO
1989-90 . .	224.96	175.83
1990-91 . .	248.26	238.13
1991-92 . .	367.30	278.16

However, two subsidiaries of SAIL i.e. Indian Iron and Steel Company Limited (IISCO) and Visvesvaraya Iron and Steel Limited (VISL) had incurred losses as under, in the last three years.

(Rs. in crores)

Year	IISCO	VISL
1989-90 . .	138.08	3.14*
1990-91 . .	133.55	1.50*
1991-92 . .	22.29	1.69

(* Before adjustment of extraordinary items.)

The financial year 1990-91 was the first year of operation of Visakhapatnam Steel Plant. The net loss for that year was Rs. 477.55 crores after providing interest of Rs. 192.13 crores and depreciation of Rs. 197.23 crores. For the year 1991-92, the net loss is Rs. 944.50 crores after providing interest of Rs. 436.81 crores and depreciation of Rs. 411.18 crores.

(c) The following measures to prevent the future losses are being taken :

(i) IISCO has been taken out of the purview of the price and distribution regulations of Joint Plant Committee vide Government notification dated 4-4-91. This has helped IISCO to improve its working results. Operation of the existing facilities at IISCO is also being optimised.

(ii) Modernisation of IISCO Burnpur Works with introduction of latest cost effective and energy efficient technology is under consideration and is expected to make IISCO viable.

(iii) In VISL, 500 Cubic Meter Blast Furnace for producing Hot Metal to reduce dependence on scarce electrical energy is being installed and two Ferro-Silicon Furnaces are being modernised.

(iv) In regard to VSP a proposal for restructuring the Capital base of the company is under consideration for improving its long-term viability.

(d) and (e) Do not arise.